Vote No. 373

November 19, 1999, 5:30 p.m. Page S-14986 Temp. Record

# **OMNIBUS APPROPRIATIONS/Cloture**

SUBJECT: Conference report to accompany the District of Columbia Appropriations Bill for fiscal year 2000 . . . H.R. 3194. Lott motion to close debate.

## **ACTION: CLOTURE MOTION AGREED TO, 87-9**

**SYNOPSIS:** The conference report to accompany H.R. 3194, the District of Columbia Appropriations Bill for fiscal year 2000, will provide funding for five of the annual appropriations bills: the District of Columbia Appropriations Bill; the Labor-Health and Human Services (HHS)-Education Appropriations Bill; the Interior Appropriations Bill; the Commerce-State-Justice-Judiciary Appropriations Bill; and the Foreign Operations Appropriations Bill. The President vetoed earlier versions of each of these bills. In total, \$399.3 billion in new budget authority (BA) will be provided. The report will also make changes to dairy policy. The Department of Agriculture's milk marketing order changes, which were scheduled to go into effect on October 1, 1999 (they have been blocked by a pending court challenge in Vermont), will not be put into effect (more limited changes will be put into effect instead), and the Northeast Interstate Dairy Compact will be extended. (Federal milk marketing orders require milk processors to pay a minimum price for milk they purchase from farmers, depending on the purpose for which the milk will be used. Mandated minimum prices for Class I fluid milk (for drinking) vary by region. Currently there are 31 regions. Minimum prices are higher based on a region's distance from Eau Claire, Wisconsin. Processors in a region also are required to pool receipts and to pay all farmers in the region a blended price based on those pooled receipts. The Department of Agriculture assesses farmers and processors to pay for its cost of administering milk marketing orders. The Department is required by the Freedom to Farm Act to consolidate the order regions. The Department recommended two options for consolidating the regions, option 1-A and option 1-B. After receiving public comments it developed a compromise proposal between those options. Recommended changes do not go into effect in a region unless approved by two-thirds of that region's dairy farmers. If a region does not approve the changes it will no longer be subject to Federal regulation. Ninety-seven percent of the dairy farmers approved the proposed changes. Those changes would have gone into effect on October 1 if they had not been stayed by a Federal judge. This bill will replace the compromise option with option 1-A. The Northeast Interstate Dairy Compact permits the New England States to set a higher minimum Class I fluid milk price than set by the milk marketing orders for their region. That compact is scheduled to expire when the order regions are consolidated (for related debate, see vote No. 252 and 104th Congress,

(See other side)							
YEAS (87)				NAYS (9)		NOT VOTING (4)	
Republican (50 or 96%)		Democrats (37 or 84%)		Republicans (2 or 4%)	Democrats (7 or 16%)	Republicans	Democrats (1)
						(3)	
Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Chafee, Lincoln Cochran Collins Coverdell Craig Crapo DeWine Domenici Enzi Frist Gramm Grassley Gregg Hagel Hatch Helms	Hutchinson Hutchison Inhofe Jeffords Kyl Lott Lugar Mack McConnell Murkowski Nickles Roberts Roth Santorum Sessions Shelby Smith, Bob Snowe Specter Stevens Thomas Thompson Thurmond Voinovich Warner	Akaka Baucus Bayh Biden Bingaman Boxer Breaux Bryan Byrd Lincoln Daschle Dodd Edwards Feinstein Harkin Hollings Inouye Johnson Kennedy	Kerrey Kerry Landrieu Lautenberg Leahy Levin Lieberman Lincoln Mikulski Moynihan Reed Reid Robb Rockefeller Sarbanes Schumer Torricelli Wyden	Fitzgerald Grams	Conrad Dorgan Durbin Feingold Graham Kohl Wellstone	Gorton- <sup>2</sup> McCain- <sup>2</sup> Smith, Gordon- <sup>2</sup> AY  EXPLANA' 1—Official 1 2—Necessar 3—Illness 4—Other  SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	rily Absent : unced Yea unced Nay Yea

VOTE NO. 373 NOVEMBER 19, 1999

second session, vote Nos. 10 and 57). This bill will extend the Northeast Interstate Dairy Compact through September 30, 2001). On November 18, 1999, Senator Lott sent to the desk, for himself and others, a motion to close debate on the conference report. NOTE: A three-fifths majority (60) vote is required to invoke cloture.

#### **Those favoring** the motion to invoke cloture contended:

A handful of Senators are filibustering this conference report because they object to its dairy provisions. We, though, strongly support the dairy provisions in this conference report. The first provision will enact the Agriculture Department's option 1-A reform of the milk marketing order system, which it has rejected in favor of a radical option. We concede that option 1-A is less of a "free market" solution, but dairy policy for fresh, fluid milk should not simply be based on free-market principles. The American people in every region of the country want to have a local supply of fresh, wholesome drinking milk. It is a staple in the American diet that should be available. If we were to let market forces rule entirely, those areas that produced milk less efficiently would lose their farmers, and people in those areas would then end up getting only reconstituted milk. Further, we note that, without minimum pricing policies, dairy farmers would be at the mercy of milk processors because milk has to be sold within 3 days or it is worthless as drinking milk. Without a minimum price, farmers would be forced to take any price offered because they simply would not have time to find other buyers. The other dairy provision in this conference report will extend the Northeast Dairy Compact for 2 years. Our colleagues have their theories about how terrible the Compact is, but experience has proven their theories are wrong. Since the Compact has been in effect, the price of milk in New England has been lower, on average, than the price of milk in other States, including in Minnesota and Wisconsin. Interstate trade in milk, including trade in milk going into New England, has increased rather than decreased. The rate at which dairy farms have been going out of business in New England has finally, and dramatically, slowed. The Compact, in operation, has not cost the taxpayers one cent. The New England States wanted the Northeast Dairy Compact, and it has worked in practice, so it should be continued. In sum, the dairy provisions in this conference report are meritorious, so Senators should not oppose cloture based on them.

### While favoring the motion to invoke cloture, some Senators expressed the following reservations:

Our colleagues who oppose cloture have good reason to complain. The provisions on milk pricing and on the Northeast Dairy Compact are both offensive. The milk price fixing scheme that America operates under is economically foolish, and it is horribly unfair for farmers in the upper Mid-West. This bill will prevent a modest reform of that scheme. The Compact is even worse, because it is corrosive to our federal system of Government. Further, these highly controversial changes should not have been tacked onto this mammoth, must-pass conference report. Unfortunately, they have been, which puts us in the position of either accepting them or voting to defeat this conference report. We cannot accept the defeat of this conference report, so we must vote for cloture.

#### **Those opposing** the motion to invoke cloture contended:

This omnibus bill will protect the longstanding, bizarre Federal policy that sets drinking milk prices according to how far away one lives from Eau Claire, Wisconsin, and it will give a 24-month extension for the Northeast Dairy Compact, which allows the New England States to set even higher minimum prices for milk. Both of these provisions are intended to deny market share to milk producers in the upper Mid-West, who can produce milk more cheaply than other farmers in the country. Champions of these milk barriers deny that this price-fixing scheme effects the milk market. However, producers who get higher minimum prices are encouraged to produce more, and their excess production is then converted to other milk products and sold around the country, driving prices for other dairy farmers even lower. This effect was clearly seen when the Northeast Dairy Compact was enacted a few years ago. As predicted, the milk produced in New England increased by four times the national rate of increase in a 6-month period following Compact implementation. The surplus milk was converted into milk powder, leading to a 60-percent increase in milk powder production. That surplus directly harmed dairy farmers elsewhere by driving down prices. Another argument that is raised is that we need price supports to guarantee that fresh milk is available in every region of the country. This argument is simply false. Milk can be delivered fresh, and cheaply, from any region of the country to any other region. If not, then there would be no reason to erect barriers in the first place to protect local producers. Yet another defense of these milk pricing provisions is that they are necessary to protect small family farmers. This argument ignores the fact that dairy farms in the upper Mid-West are much smaller, on average, than farms elsewhere, including farms in New England. The final defense, which is raised for the Compact only, is that States should be allowed to fix milk prices as a matter of States' rights. In response, we note that the main reason the Articles of Confederation were replaced with the Constitution was to remove interstate commercial barriers set up by the States. If Congress had not taken over the regulation of commerce, and if it had not generally pursued a free-market policy between the States ever since, we doubt that the country would have held together. When Congress has approved compacts in the past, it has always been to expand, not to restrict, commerce. In sum, this bill will prevent reforms of the milk marketing order system and will protect the utterly indefensible Northeast Dairy Compact. They make this bill unsupportable. We urge our colleagues to oppose cloture.